

TUESDAY, JULY 2, 2002

ONE HUNDREDTH LEGISLATIVE DAY

The House met at 9:00 a.m. and was called to order by Mr. Speaker Naifeh.

The proceedings were opened with prayer by Representative Walker.

Representative Walker led the House in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present.....94

Representatives present were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Tidwell, Tindell, Todd, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 94.

EXCUSED

The Speaker announced that the following member(s) has/have been excused, pursuant to request(s) under **Rule No. 20**:

Representative Cooper; illness.

Representative Rhinehart; illness.

RECESS MOTION

On motion of Rep. Briley, the House stood in recess until 1:30 p.m.

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**MESSAGE FROM THE SENATE
July 2, 2002**

MR. SPEAKER: I am directed to request the return of Senate Bill(s) No(s). 2646 for further consideration.

RUSSELL A. HUMPHREY, Chief Clerk.

RECESS EXPIRED

The recess having expired, the House was called to order by Mr. Speaker Naifeh.

ROLL CALL DISPENSED WITH

On motion of Rep. Davidson, the roll call was dispensed with.

BILL RETURNED TO SENATE

Rep. Head moved that Senate Bill No. 2646 be returned to the Senate, which motion prevailed.

HOUSE BILLS ON SECOND CONSIDERATION

On motion, bills listed below passed second consideration and were referred by the Speaker to Committee or held on the Clerk's desk as noted:

***House Bill No. 3302** -- Taxes -- House Finance, Ways and Means Committee

***House Bill No. 3303** -- Appropriations -- House Finance, Ways and Means Committee

RECESS MOTION

On motion of Rep. Davidson, the House stood in recess until 5:00 p.m.

RECESS EXPIRED

The recess having expired, the House was called to order by Mr. Speaker Naifeh.

ROLL CALL DISPENSED WITH

On motion of Rep. Davidson, the roll call was dispensed with.

UNFINISHED BUSINESS

SPECIAL ORDER

Without objection, Rep. Buck moved that House Bill No. 2569 be taken up out of order as follows:

House Bill No. 2569 -- Taxes, Sales - Requires affirmative vote of three-fifths of members of senate and house to increase rate of sales tax. Amends TCA Title 3; Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 55; Title 56; Title 57; Title 62; Title 67; Title 68; Title 69; Title 70 and Title 71 relative to taxation. by *Buck, *McDonald, *Sargent, *Davidson, *Bunch, *Hagood, *Tidwell, *Bittle, *Hargett, *Stanley, *Fraley, *Pleasant, *Sharp, *Baird, *Garrett, *Jones, S., *Odom, *Wood, *Hood, *Shepard, *Black, *Newton, *Turner (Davidson), *Pinion, *Montgomery, *Winningham, *Patton, *Clem. (*SB2829 by *Jackson)

Further consideration of House Bill No. 2569 previously considered on June 29, 2002 and June 30, 2002, at which time the bill was held on the Clerk's desk.

Rep. Buck moved that House Bill No. 2569 be passed on third and final consideration.

Rep. Kisber requested that Finance, Ways and Means Committee Amendment No. 1 be placed at the heel of the Amendments.

Rep. Head requested that Amendment No. 2 be placed at the heel of the Amendments.

Rep. Odom requested that Amendment No. 3 be placed at the heel of the Amendments.

RECOGNITION IN THE WELL

Rep. Buck was recognized in the Well to introduce Comptroller John Morgan for remarks on House Bill No. 2569.

RECOGNITION IN THE WELL

Rep. Buck was recognized in the Well to introduce Mr. Jim Davenport for remarks on House Bill No. 2569.

RECESS MOTION

Rep. Givens moved that the House stand in recess until 6:00 p.m., which motion prevailed.

SPONSORS REMOVED

On motion, Rep(s). Newton was/were removed as sponsor(s) of **House Bill No. 2569**.

RECESS EXPIRED

The recess having expired, the House was called to order by Mr. Speaker Naifeh.

ROLL CALL DISPENSED WITH

On motion of Rep. Davidson, the roll call was dispensed with.

SPECIAL ORDER

Without objection, discussion continued on House Bill No. 2569 as follows:

House Bill No. 2569 -- Taxes, Sales - Requires affirmative vote of three-fifths of members of senate and house to increase rate of sales tax. Amends TCA Title 3; Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 55; Title 56; Title 57; Title 61; Title 62; Title 67; Title 68; Title 69; Title 70 and Title 71 relative to taxation. by *Buck, *McDonald, *Sargent, *Davidson, *Bunch, *Hagood, *Tidwell, *Bittle, *Hargett, *Stanley, *Fraley, *Pleasant, *Sharp, *Baird, *Garrett, *Jones, S., *Odom, *Wood, *Hood, *Shepard, *Black, *Turner (Davidson), *Pinion, *Montgomery, *Winningham, *Patton, *Clem. (*SB2829 by *Jackson)

Further consideration of House Bill No. 2569 previously considered on today at which time Amendment(s) No(s) 1, 2 and 3 were placed at the heel of the Amendments.

Rep. Buck moved that House Bill No. 2569 be passed on third and final consideration.

Rep. Buck moved adoption of Amendment No. 4 as follows:

Amendment No. 4

AMEND House Bill No. 2569 by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-4-2006(b)(1), is amended by adding the following as a new subitem (H) and relettering the remaining subitems accordingly:

(H) Any depreciation permitted as a deduction in computing federal taxable income solely as a result of the provisions of Title 1, Section 101, of the Job Creation and Worker Assistance Act of 2002.

SECTION 2. Tennessee Code Annotated, Section 67-4-2006(b)(2), is amended by adding the following as a new subitem (I) and relettering the remaining subitems accordingly:

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(l) Any depreciation in excess of that which the taxpayer deducted in computing its federal taxable income that could have been deducted in computing such income if the taxpayer had computed its depreciation under the provisions of Section 168 of the Internal Revenue Code as it existed and applied immediately prior to the passage of Title 1, Section 101, of the Job Creation and Worker Assistance Act of 2002.

SECTION 3. Tennessee Code Annotated, Section 67-4-2007(a), is amended by deleting the language "six percent (6%)" and by substituting instead "six and three-quarters percent (6.75%)".

SECTION 4. Tennessee Code Annotated, Section 67-4-1004, is amended by deleting the language "six and one-half (6 ½) mills" in subsection (a) and by substituting instead the language "twenty-one and one-half (21½) mills".

Tennessee Code Annotated, Section 67-4-1004, is further amended by adding the following new subsection:

(c) Any wholesale dealers, jobbers, tobacco distributors, and retail dealers having cigarette tax stamps, affixed and unaffixed, in their possession on July 1, 2002, shall not be required to pay the additional cigarette tax resulting from the increase in tax rate from six and one-half (6 ½) mills to twenty-one and one-half (21½) mills on cigarettes to which such stamps in their possession are or shall be affixed.

SECTION 5. Tennessee Code Annotated, Section 57-3-302(a), is amended by deleting the language "one dollar and ten cents (\$1.10)" and by substituting instead the language "one dollar and ninety-eight cents (\$1.98)".

SECTION 6. Tennessee Code Annotated, Section 57-3-302(b) is amended by deleting the language "four dollars (\$4.00)" and by substituting instead the language "seven dollars and twenty cents (\$7.20)".

SECTION 7. Tennessee Code Annotated, Section 57-5-201(a)(1), is amended by deleting the language "three dollars and ninety cents (\$3.90)" and by substituting instead the language "seven dollars and two cents (\$7.02)".

SECTION 8. Notwithstanding any provision of law to the contrary, all increased revenues attributable to rate increases set forth in Sections 5, 6 and 7 above shall be paid into the state's general fund and shall be allocated exclusively for general state purposes.

SECTION 9. Tennessee Code Annotated, Section 57-6-104(c)(5), is amended by inserting the language "or the state privilege tax levied in Tennessee Code Annotated, Section 57-5-201" immediately following the words "excise tax" in the first sentence.

SECTION 10. Tennessee Code Annotated, Section 67-6-202(a), is amended by deleting the language "at the rate of six percent (6%) of" and by substituting instead the language "on" and by adding at the end of the subsection the language "The tax shall be levied at the rate of six percent (6%); provided, however, effective July 1, 2002, the local option sales tax provided for in title 67, chapter 6, part 7, shall be two and three-quarters percent (2.75%) statewide. In those jurisdictions in which on June 1, 2002, the rate of the local option sales tax in effect or operative under title 67, chapter 6, part 7, was less than two and three-quarters percent (2.75%), the difference between two and three-quarters percent (2.75%) and the local rate in effect or operative on June 1, 2002, applied to the first one thousand six hundred dollars (\$1,600) of the sale or use of any single article of personal property shall be a state tax and those funds in excess of the local rate in effect or operative on June 1, 2002, shall be deposited in the state general fund. There is levied a state tax at the rate of two and three-quarters percent (2.75%) on the amount in excess of one thousand six hundred (\$1,600), but less than or equal to three thousand nine hundred dollars (\$3,900), on the sale or use of any single article of personal property which shall be a state tax and those funds shall be deposited in the state general fund."

SECTION 11. Tennessee Code Annotated, Section 67-6-202(a), is amended by deleting the subsection in its entirety and by substituting instead:

(a) For the exercise of the privilege of engaging in the business of selling tangible personal property at retail in this state, a tax is levied on the sales price of each item or article of tangible personal property when sold at retail in this state; the tax is to be computed on gross sales for the purpose of remitting the amount of tax due the state and is to include each and every retail sale. The tax shall be levied at the rate of six percent (6%). Effective July 1, 2003, there is levied an additional state tax at the rate of two and three-quarters percent (2.75%) on the amount in excess of one thousand six hundred (\$1,600), but less than or equal to three thousand nine hundred dollars (\$3,900), on the sale or use of any single article of personal property which shall be a state tax and those funds shall be deposited in the state general fund.

SECTION 12. Tennessee Code Annotated, Section 67-6-203, is amended by deleting the language "six percent (6%)" in subsection (a) and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 13. Tennessee Code Annotated, Section 67-6-204, is amended by deleting the language "six percent (6%)" wherever it appears in subsections (a) and (c) and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 14. Tennessee Code Annotated, Section 67-6-205, is amended by deleting the language "six percent (6%)" in subsection (a) and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

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SECTION 15. Tennessee Code Annotated, Section 67-6-206(b)(1), is amended by deleting the language "one and one-half percent (1.5%)" and by substituting instead the language "two and one-half percent (2.5%)".

SECTION 16. Tennessee Code Annotated, Section 67-6-702, is amended by adding the following as a new subsection (h):

(h) In any jurisdiction in which the local rate in effect or operative under title 67, chapter 6, part 7, is less than two and three-quarters percent (2.75%) on June 1, 2002, the rate shall be two and three-quarters percent (2.75%) with the difference between the local rate in effect or operative under title 67, chapter 6, part 7, on June 1, 2002, and two and three-quarters percent (2.75%) applied to the first one thousand six hundred dollars (\$1,600) of the sale or use of any single article of personal property being a state tax pursuant to Section 67-6-202 and remitted to the state for deposit in the state general fund as provided for in title 67, chapter 6, part 5 and § 67-6-103. The tax levied at the rate of two and three-quarters percent (2.75%) of the sale or use of an article in excess of one thousand six hundred dollars (\$1,600), but less than or equal to three thousand nine hundred dollars (\$3,900), is a state tax pursuant to Section 67-6-202 and shall be remitted to the state for deposit in the state general fund.

SECTION 17. Notwithstanding the provisions of Sections 10, 12, 13, 14 and 16 of this act to the contrary, sales to or use by a contractor, subcontractor, or material vendor of tangible personal property, including rentals thereof and labor or services performed in the fabrication, manufacture, delivery, or installation of such tangible personal property when such property is sold or used solely in performance of a lump sum or unit price construction contract entered into prior to June 15, 2002, or awarded by the state or a political subdivision pursuant to a bid opening which occurred prior to June 15, 2002, shall be subject to tax at the state rate of six percent (6%) plus the local option sales tax rate in effect on June 15, 2002, in the county or municipality in which the property is sold or used. In addition, sales to or use by a subcontractor of tangible personal property, including rentals thereof and labor or services performed in the fabrication, manufacture, delivery, or installation of such tangible personal property when such property is sold or used solely in performance of a written subcontract entered into prior to September 1, 2002, if such subcontract is made pursuant to a general contract qualifying for the reduced rate of tax as set out above, shall be subject to tax at the rate of six percent (6%) plus the local option sales tax rate in effect on June 15, 2002, in the county or municipality in which the property is sold or used. Any vendor making such sales to any such contractor or subcontractor shall collect tax at the rates set in Sections 10, 12, 13, 14 and 16 of this act during the time that such rates are in effect. Any such contractor or subcontractor paying the rate set in Sections 10, 12, 13, 14 and 16 may then file a claim with the commissioner of revenue for a refund of any such tax paid to any of the contractor's vendors at a rate in excess of six percent (6%) plus the local option sales tax rate in effect on June 15, 2002, in the county or municipality in which the property is sold or used.

For purposes of this subsection the term "lump sum or unit price construction contract" means a written contract for the construction of improvements to real property under which the amount payable to the contractor, subcontractor or material vendor is fixed without regard to the costs incurred in the performance of the contract. The provisions of this paragraph shall not be construed to increase the rate of tax imposed pursuant to the provisions of Tennessee Code Annotated, Section 67-6-206. Effective July 1, 2003, if any county or municipality increases its local option sales tax rate from that which was in effect on June 15, 2002, then any vendor making such sales to any such contractor or subcontractor shall collect tax at the state rate of six percent (6.0%) plus the local option rate then in effect and the state rate of eight and three-quarters (8.75%) on any single article of personal property on the amount in excess of one thousand six hundred (\$1,600), but less than or equal to three thousand nine hundred dollars (\$3,900). Any such contractor or subcontractor paying such rates may then file a claim with the commissioner of revenue for a refund of any such tax paid to any of the contractor's or subcontractor's vendors at a rate in excess of six percent (6%) plus the local option sales tax rate in effect on June 15, 2002, in the county or municipality in which the property is sold or used.

SECTION 18. Tennessee Code Annotated, Section 67-4-506, is amended by deleting the section in its entirety.

SECTION 19. Tennessee Code Annotated, Section 67-6-102(24), is amended by adding the following language as a new subdivision (l):

(l) "Retail sale" or "sale at retail" includes sales by which merchandise is sold or delivered to the user through the use of a vending machine.

SECTION 20. Tennessee Code Annotated, Section 67-4-507(b), is amended by deleting subdivision (1)(C) in its entirety.

SECTION 21. (a) Tennessee Code Annotated, Section 67-6-212(a), is amended by deleting the word "and" at the end of subdivision (3).

(b) Tennessee Code Annotated, Section 67-6-212(a), is further amended by deleting the punctuation "." at the end of subdivision (4) and by substituting instead the following language:

; and

(5) Receipts from coin-operated amusement device as defined in § 67-4-507.

SECTION 22. Tennessee Code Annotated, Section 67-6-330(a), is amended by deleting subdivision (10) in its entirety and by renumbering subsequent subsections accordingly.

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SECTION 23. Tennessee Code Annotated, Section 67-6-329(a), is amended by deleting subdivision (21) in its entirety and by renumbering subsequent subsections accordingly.

SECTION 24. Tennessee Code Annotated, Section 67-6-226, is amended by deleting the subsection in its entirety and by substituting instead the following:

Notwithstanding other provisions of this chapter to the contrary, state tax at the rate of eight and three-quarters percent (8.75%) on each sale at retail is imposed with respect to fees for subscription to, access to, or use of television programming or television services provided by a cable television service provider authorized pursuant to title 7, chapter 59, or cable television service provider authorized pursuant to title 7, chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption, except that such state tax shall apply only to service charges or fees in an amount less than twenty-seven dollars and fifty cents (\$27.50).

SECTION 25. (a) Tennessee Code Annotated, Section 67-6-103(f), is amended by deleting the language "in excess of fifteen dollars (\$15.00) but".

(b) Tennessee Code Annotated, Section 67-6-103(f), is further amended by deleting "at the state rate of six percent (6%) in accordance with the provisions of part 2 of this chapter as well as pursuant to the local option revenue act in part 7 of this chapter," and by substituting instead "at the rate of the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202,".

SECTION 26. Tennessee Code Annotated, Section 67-6-227, is amending by deleting language "eight and one-quarter percent (8.25%)" and by substituting instead "eight and three-quarters percent (8.75%)".

SECTION 27. Tennessee Code Annotated, Section 55-4-113(a), is amended by deleting subdivision (6)(A) in its entirety and by substituting instead the following:

(6)(A) Freight trailers, semi-trailers, and pole trailers used primarily for hauling freight and trailers used in the furtherance of a business, any trailer not required to be registered which the owner desires to be registered, shall be registered and, in addition to the tax herein prescribed for trucks and truck tractors, there shall be imposed on vehicles so classified a registration tax of one hundred dollars (\$100). Any trailer which was registered pursuant to this subdivision prior to July 1, 2002, and which is used after that date primarily for hauling freight or in the furtherance of a business or which was not required to be registered, but which was registered and for which the owner desires to continue the registration, shall pay an additional registration tax of fifty dollars (\$50.00).

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SECTION 28. Tennessee Code Annotated, Section 67-4-1901, is amended by deleting the language "three percent (3%)" and by substituting instead the language "five percent (5%)".

SECTION 29. Tennessee Code Annotated, Section 67-6-102(24), is amended by deleting subitem (F)(viii) in its entirety and by substituting instead the following:

(F)(viii) The renting or providing of space to a dealer or vendor without a permanent location in this state or to persons who are registered for sales tax at other locations in this state but who are making sales at this location on a less than permanent basis.

SECTION 30. (a) Tennessee Code Annotated, Section 67-6-102(29), is amended by deleting the language ". "Tangible personal property" does not include utility poles, anchors, guys, and conduits, and such facilities shall be deemed to be real property for the purposes of this chapter".

(b) Tennessee Code Annotated, Section 67-6-325, is amended by adding the following sentence at the end of the subsection:

This section shall not apply to utility poles, anchors, guys, and conduits.

SECTION 31. (a) Tennessee Code Annotated, Section 67-6-102 (30), is amended by deleting the language "public pay telephone services," in subitem (D).

(b) Tennessee Code Annotated, Section 67-6-205, is amended by adding the following as new subsection (c):

(c) Notwithstanding any other provision of law to the contrary, the tax levied by this section applies to gross charges for the use of public pay telephones.

SECTION 32. Tennessee Code Annotated, Section 67-6-204(b), is amended by deleting the subsection in its entirety and by relettering subsequent subsections accordingly.

SECTION 33. Tennessee Code Annotated, Section 67-6-309, is amended by deleting the section in its entirety and by substituting instead the following language:

§ 67-6-309 Persons paying the tax imposed by title 67, chapter 6 on the rental for films to theaters or the rental for films, transcriptions and recordings to radio stations and television stations operating under a certificate from the federal communications commission shall be exempt from any portion of the gross receipts tax as provided in § 67-4-708.

SECTION 34. Tennessee Code Annotated, Section 67-6-330(a), is amended by deleting subdivision (3) in its entirety and by substituting instead the following language:

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(3) The first one hundred fifty dollars (\$150) per member per annum of membership dues or fees of a community service organization, and, if more than one (1) year's dues are paid in advance, such exemption shall be granted so that the one hundred fifty dollar (\$150) exemption shall be applied to each year's dues or fees;

Tennessee Code Annotated, Section 67-6-330(a), is further amended by deleting subdivisions (14) and (19) in their entireties.

SECTION 35. The commissioner of revenue is authorized to promulgate rules in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5, to implement and administer the provisions of this act. This authority should be interpreted broadly to enable the commissioner to give effect to the legislative intent. Such rules, to the extent deemed necessary by the commissioner for timely implementation of this act, shall include public necessity and emergency rules.

SECTION 36. (a) Sections 1 and 2 shall take effect upon becoming law and shall apply to excise tax returns filed for tax years ending on or after June 30, 2002, the public welfare requiring it.

(b) Section 3 shall take effect on July 1, 2002, and shall apply to tax years beginning on or after that date, the public welfare requiring it.

(c) Sections 4 through 9 shall take effect on July 1, 2002, the public welfare requiring it.

(d) Sections 10 and 16 shall take effect on July 1, 2002, the public welfare requiring it and shall be repealed on June 30, 2003, the public welfare requiring it.

(e) Section 11 shall take effect on July 1, 2003, the public welfare requiring it.

(f) Sections 12, 13, 14, 15 and 17 through 34 shall take effect on July 1, 2002, the public welfare requiring it.

(g) All other provisions of this act shall take effect upon becoming law, the public welfare requiring it.

Rep. Todd moved the previous question on Amendment No. 4, which motion was immediately withdrawn.

After further debate, Rep. Sharp moved the previous question on Amendment No. 4, which motion prevailed by the following vote:

Ayes	66
Noes	11
Present and not voting	1

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Representatives voting aye were: Arriola, Baird, Beavers, Bittle, Black, Bone, Boyer, Buck, Bunch, Buttry, Casada, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), DeBerry J, Dunn, Ferguson, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hood, Johnson, Jones S, Kent, McCord, McDaniel, McDonald, McKee, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Pinion, Pleasant, Rinks, Roach, Sands, Sargent, Scroggs, Sharp, Shepard, Stanley, Tidwell, Tindell, Todd, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, West, White, Windle, Winningham, Wood -- 66.

Representatives voting no were: Bowers, Briley, Brown, Chumney, DeBerry L, Fitzhugh, Jones U, Langster, Maddox, Ridgeway, Shaw -- 11.

Representatives present and not voting were: Kernell -- 1.

On motion, Amendment No. 4 was adopted.

Rep. Buck moved that Amendment No. 5 be withdrawn, which motion prevailed.

Rep. Buck moved adoption of Amendment No. 6 as follows:

Amendment No. 6

AMEND House Bill No. 2569 by deleting Section 27 of the bill as amended which reads as follows:

SECTION 27. Tennessee Code Annotated, Section 55-4-113(a), is amended by deleting subdivision (6)(A) in its entirety and by substituting instead the following:

(6)(A) Freight trailers, semi-trailers, and pole trailers used primarily for hauling freight and trailers used in the furtherance of a business, any trailer not required to be registered which the owner desires to be registered, shall be registered and, in addition to the tax herein prescribed for trucks and truck tractors, there shall be imposed on vehicles so classified a registration tax of one hundred dollars (\$100). Any trailer which was registered pursuant to this subdivision prior to July 1, 2002, and which is used after that date primarily for hauling freight or in the furtherance of a business or which was not required to be registered, but which was registered and for which the owner desires to continue the registration, shall pay an additional registration tax of fifty dollars (\$50.00).

AND FURTHER AMEND by adding the following new sections immediately prior to the effective date section and by renumbering that section accordingly:

Section _____. Funds generated by any taxes or increases in taxes imposed by this act shall be deposited in the general fund and in conjunction with current revenues shall then be allocated in the following manner:

(1) Provide full funding for the basic education program as required by its funding formula;

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(2) Provide the same level of funding for institutions of higher education of the state as that provided in the 2001-2002 fiscal year by Chapters 435 and 464 of the Public Acts of 2001;

(3) Provide full funding for the Tennessee Fire Service and Codes Enforcement Academy; and

(4) Other appropriations made by the general appropriations act.

Section _____. Notwithstanding any provision of law to the contrary, the commissioner of revenue is authorized to waive tax liability and associated interest and penalties otherwise imposed for failure to pay taxes levied pursuant to this act in a timely manner, but only to the extent that the taxpayer or vendor can demonstrate, to the commissioner's satisfaction, that the taxpayer's or vendor's noncompliance with the requirements of this act unavoidably and directly resulted from the close proximity of the effective date of this act with implementation of the increase in tax rates or items or activities taxed pursuant to the provisions of this act.

SECTION _____. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

Rep. Todd moved the previous question on Amendment No. 6, which motion prevailed by the following vote:

Ayes	61
Noes	15
Present and not voting	1

Representatives voting aye were: Arriola, Baird, Beavers, Bittle, Black, Bone, Boyer, Buck, Bunch, Buttry, Casada, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hood, Johnson, Jones S, Kent, Kisber, McCord, McDaniel, McDonald, McKee, Montgomery, Mumpower, Newton, Odom, Pinion, Pleasant, Pruitt, Rinks, Roach, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Todd, Turner (Davidson), Vincent, West, White, Whitson, Windle, Winningham, Wood -- 61.

Representatives voting no were: Armstrong, Bowers, Briley, Brooks, Chumney, Davis (Cocke), DeBerry L, Dunn, Jones U, Langster, Maddox, Miller, Tindell, Towns, Turner (Shelby) -
- 15.

Representatives present and not voting were: Kernell -- 1.

On motion, Amendment No. 6 was adopted.

Rep. Buck moved adoption of Amendment No. 7 as follows:

Amendment No. 7

AMEND House Bill No. 2569 by deleting Section 4 of the bill as amended and by substituting instead the following:

SECTION 4. Tennessee Code Annotated, Section 67-4-1004, is amended by deleting the language "six and one-half (6 ½) mills" in subsection (a) and by substituting instead the language "twenty-one and one-half (21½) mills".

Tennessee Code Annotated, Section 67-4-1004, is further amended by adding the following new subsection:

(c) Any wholesale dealers, jobbers, tobacco distributors, and retail dealers having cigarette tax stamps, affixed and unaffixed, in their possession on July 8, 2002, shall not be required to pay the additional cigarette tax resulting from the increase in tax rate from six and one-half (6 ½) mills to twenty-one and one-half (21½) mills on cigarettes to which such stamps in their possession are or shall be affixed.

AND FURTHER AMEND by deleting Section 10 of the bill as amended and by substituting instead the following:

SECTION 10. Tennessee Code Annotated, Section 67-6-202(a), is amended by deleting the language "at the rate of six percent (6%) of" and by substituting instead the language "on" and by adding at the end of the subsection the following language:

The tax shall be levied at the rate of six percent (6%); provided, however, effective July 8, 2002, the local option sales tax provided for in title 67, chapter 6, part 7, shall be two and three-quarters percent (2.75%) statewide. In those jurisdictions in which on June 1, 2002, the rate of the local option sales tax in effect or operative under title 67, chapter 6, part 7, was less than two and three-quarters percent (2.75%), the difference between two and three-quarters percent (2.75%) and the local rate in effect or operative on June 1, 2002, applied to the first one thousand six hundred dollars (\$1,600) of the sale or use of any single article of personal property shall be a state tax and those funds in excess of the local rate in effect or operative on June 1, 2002, shall be deposited in the state general fund. There is levied a state tax at the rate of two and three-quarters percent (2.75%) on the amount in excess of one thousand six hundred (\$1,600), but less than or equal to three thousand nine hundred dollars (\$3,900), on the sale or use of any single article of personal property which shall be a state tax and those funds shall be deposited in the state general fund. Tax is levied on the amount which is in excess of three thousand nine hundred dollars (\$3,900) on the sale or use of any single article of personal property at the state rate of six percent (6%).

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AND FURTHER AMEND by deleting Section 17 of the bill as amended and by substituting instead the following:

SECTION 17. Notwithstanding the provisions of Sections 10, 11, 12, 13, 14 and 16 of this act to the contrary, sales to or use by a contractor, subcontractor, or material vendor of tangible personal property, including rentals thereof and labor or services performed in the fabrication, manufacture, delivery, or installation of such tangible personal property when such property is sold or used solely in performance of a lump sum or unit price construction contract entered into prior to June 15, 2002, or awarded by the state or a political subdivision pursuant to a bid opening which occurred prior to June 15, 2002, shall be subject to tax at the state rate of six percent (6%) plus the local option sales tax rate in effect on June 15, 2002, in the county or municipality in which the property is sold or used. In addition, sales to or use by a subcontractor of tangible personal property, including rentals thereof and labor or services performed in the fabrication, manufacture, delivery, or installation of such tangible personal property when such property is sold or used solely in performance of a written subcontract entered into prior to September 1, 2002, if such subcontract is made pursuant to a general contract qualifying for the reduced rate of tax as set out above, shall be subject to tax at the rate of six percent (6%) plus the local option sales tax rate in effect on June 15, 2002, in the county or municipality in which the property is sold or used. Any vendor making such sales to any such contractor or subcontractor shall collect tax at the rates set in Sections 10, 11, 12, 13, 14 and 16 of this act during the time that such rates are in effect. Any such contractor or subcontractor paying the rate set in Sections 10, 11, 12, 13, 14 and 16 may then file a claim with the commissioner of revenue for a refund of any such tax paid to any of the contractor's vendors at a rate in excess of six percent (6%) plus the local option sales tax rate in effect on June 15, 2002, in the county or municipality in which the property is sold or used. For purposes of this subsection the term "lump sum or unit price construction contract" means a written contract for the construction of improvements to real property under which the amount payable to the contractor, subcontractor or material vendor is fixed without regard to the costs incurred in the performance of the contract. The provisions of this paragraph shall not be construed to increase the rate of tax imposed pursuant to the provisions of Tennessee Code Annotated, Section 67-6-206. Effective July 1, 2003, if any county or municipality increases its local option sales tax rate from that which was in effect on June 15, 2002, then any vendor making such sales to any such contractor or subcontractor shall collect tax at the state rate of six percent (6.0%) plus the local option rate then in effect and the state rate of eight and three-quarters (8.75%) on any single article of personal property on the amount in excess of one thousand six hundred (\$1,600), but less than or equal to three thousand nine hundred dollars (\$3,900). Any such contractor or subcontractor paying such rates may then file a claim with the commissioner of revenue for a refund of any such tax paid to any of the contractor's or subcontractor's vendors at a rate in excess of six percent (6%) plus the local option sales tax rate in effect on June 15, 2002, in the county or municipality in which the property is sold or used.

AND FURTHER AMEND by deleting Section 27 of the bill as amended and by substituting instead the following:

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SECTION 27. Tennessee Code Annotated, Section 55-4-113(a), is amended by deleting subdivision (6)(A) in its entirety and by substituting instead the following:

(6)(A) Freight trailers, semi-trailers, and pole trailers used primarily for hauling freight and trailers used in the furtherance of a business, any trailer not required to be registered which the owner desires to be registered, shall be registered and, in addition to the tax herein prescribed for trucks and truck tractors, there shall be imposed on vehicles so classified a registration tax of one hundred dollars (\$100). Any trailer which was registered pursuant to this subdivision prior to July 8, 2002, and which is used after that date primarily for hauling freight or in the furtherance of a business or which was not required to be registered, but which was registered and for which the owner desires to continue the registration, shall pay an additional registration tax of fifty dollars (\$50.00).

AND FURTHER AMEND by deleting Section 36 of the bill as amended and by substituting instead the following:

SECTION 36. (a) Sections 1 and 2 shall take effect upon becoming law and shall apply to excise tax returns filed for tax years ending on or after July 15, 2002, the public welfare requiring it.

(b) Section 3 shall take effect on July 15, 2002, and shall apply to tax years beginning on or after that date, the public welfare requiring it.

(c) Sections 4 through 9 shall take effect on July 8, 2002, the public welfare requiring it.

(d) Sections 10 and 16 shall take effect on July 8, 2002, the public welfare requiring it and shall be repealed on June 30, 2003, the public welfare requiring it.

(e) Section 11 shall take effect on July 1, 2003, the public welfare requiring it.

(f) Sections 12, 13, 14, 15 and 17 through 34 shall take effect on July 8, 2002, the public welfare requiring it.

(g) All other provisions of this act shall take effect upon becoming law, the public welfare requiring it.

On motion, Amendment No. 7 was adopted.

Rep. Bowers moved adoption of Amendment No. 8 as follows:

Amendment No. 8

AMEND House Bill No. 2569 by adding the following new section to be appropriately designated:

SECTION _____. A surcharge or tax imposed by this act on rented automobiles shall not apply to an automobile rented by an insurance company as a replacement vehicle for a policy holder or by a business that rents a truck or trailer for the purpose of transporting goods, or by any individual or business that rents a vehicle as a replacement while the renter's vehicle is being repaired, replaced or serviced; provided, that the individual presents to the renter upon return of the rented vehicle a copy of the repair or service invoice or signs a statement under penalty of perjury that the lease or rental of the vehicle is used as a replacement for a vehicle that is being repaired, replaced, or serviced. The surcharge or tax shall not apply to any vehicle rental transactions in which an entity whose principal business activity is the sale and service of new and used motor vehicles.

Rep. Buck moved that Amendment No. 8 be tabled, which motion prevailed by the following vote:

Ayes	53
Noes	25

Representatives voting aye were: Baird, Beavers, Bittle, Black, Boyer, Buck, Bunch, Buttry, Casada, Clem, Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), Dunn, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargrove, Harwell, Hood, Jones S, Kent, McDonald, McKee, Montgomery, Mumpower, Newton, Odom, Overbey, Pinion, Pleasant, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shepard, Stanley, Tidwell, Todd, Towns, Turner (Davidson), Vincent, West, Windle, Winningham, Wood -- 53.

Representatives voting no were: Armstrong, Arriola, Bone, Bowers, Brooks, Brown, Chumney, Cole (Carter), DeBerry J, DeBerry L, Hargett, Jones U, Kisber, Langster, McDaniel, Miller, Pruitt, Ridgeway, Shaw, Tindell, Turner (Hamilton), Turner (Shelby), White, Whitson, Mr. Speaker Naifeh -- 25.

Rep. Odom moved adoption of Amendment No. 9 as follows:

Amendment No. 9

AMEND House Bill No. 2569 by deleting the amendatory language of Section 11(a) and by substituting instead the following:

(a) For the exercise of the privilege of engaging in the business of selling tangible personal property at retail in this state, a tax is levied on the sales price of each item or article of tangible personal property when sold at retail in this state; the tax is to be computed on gross sales for the purpose of remitting the amount of tax due the state and is to include each and every retail sale. The tax shall be levied at the rate of six and one-quarter percent (6.25%). There is levied an additional state tax at the rate of two and three-quarters percent (2.75%) on the amount in excess of one thousand six hundred dollars (\$1,600), but less than or equal to three thousand nine hundred dollars (\$3,900), on the sale or use of any single article of personal property, as defined in § 67-6-702(d). The additional tax of two and three-quarters percent (2.75%) on the sale of any single article of personal property in the amount in excess of one thousand six hundred dollars (\$1,600), but less than or equal to three thousand nine hundred dollars (\$3,900) shall be state tax and the revenues from such tax shall be deposited in the state general fund. Tax shall be levied on the sale of any single article of personal property in the amount in excess of three thousand nine hundred dollars (\$3,900) at the rate of six and one-quarter percent (6.25%).

AND FURTHER amend by adding the following language as a new appropriately designated section:

SECTION __. Tennessee Code Annotated, Section 55-6-107, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) The proceeds of the taxes levied by chapter 4 of this title shall be apportioned by a distribution, in the following order, of two percent (2%) to the general fund, a sum sufficient to the general fund for the purpose of funding the department of safety and the remainder to the highway fund. The funding board is authorized to allocate such portions of these funds as are required to meet the annual requirements for payment of the state debt. Notwithstanding the foregoing, from the distribution to the highway fund, revenue shall be allocated to the general fund as follows:

(1) In an amount sufficient to fund the cost of issuing motor vehicle registration plates, such amount to be established in the annual appropriations act; and,

(2) Two million dollars (\$2,000,000) to fund costs of driver testing centers. Such amount shall be appropriated in the annual general appropriations act.

Rep. Turner (Davidson) moved that Amendment No. 9 be tabled, which motion prevailed by the following vote:

Ayes	53
Noes	21
Present and not voting	2

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Representatives voting aye were: Baird, Beavers, Bittle, Black, Boyer, Buck, Bunch, Buttry, Casada, Cole (Carter), Cole (Dyer), Davidson, Davis (Washington), Davis (Cocke), Ferguson, Fowlkes, Fraley, Garrett, Givens, Godsey, Hargett, Head, Hood, Jones S, Kent, McDaniel, McDonald, McKee, Montgomery, Mumpower, Newton, Pinion, Pleasant, Ridgeway, Rinks, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Todd, Turner (Davidson), Vincent, Walker, White, Whitson, Windle, Winningham, Wood -- 53.

Representatives voting no were: Arriola, Bone, Bowers, Brooks, Brown, Chumney, Clem, Curtiss, DeBerry J, Hargrove, Harwell, Jones U, Kernell, Langster, Miller, Odom, Pruitt, Towns, Turner (Hamilton), Turner (Shelby), West -- 21.

Representatives present and not voting were: DeBerry L, Dunn -- 2.

Rep. Brooks moved adoption of Amendment No. 10 as follows:

Amendment No. 10

AMEND House Bill No. 2569 by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

Section _____. No expenditure of public funds pursuant to this act shall be made in violation of the provisions of Title VI of the Civil Rights Act of 1964, as codified in 42 United States Code 2000(d).

On motion, Amendment No. 10 was adopted.

Rep. Arriola moved adoption of Amendment No. 11 as follows:

Amendment No. 11

AMEND House Bill No. 2569 by deleting Section 28 and substituting the following:

SECTION 28. Tennessee Code Annotated, Section 67-4-1901, is amended by deleting the language "three percent (3%)" and substituting the language "six percent (6%)".

Tennessee Code Annotated, Section 67-4-1901, is further amended by adding the following new subsection:

(d) Funds derived from one percent (1%) of the tax imposed in subsection (a) shall be allocated to the commission on aging for the sole purpose of funding home and community based programs for the elderly and citizens with disabilities.

Rep. Stanley moved that Amendment No. 11 be tabled, which motion failed by the following vote:

Ayes	35
Noes	38
Present and not voting	8

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Representatives voting aye were: Baird, Beavers, Bittle, Black, Buck, Bunch, Buttry, Clem, Cole (Dyer), Davis (Washington), Davis (Cocke), Dunn, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Kent, McCord, McDaniel, McKee, Montgomery, Mumpower, Pleasant, Rinks, Roach, Rowland, Scroggs, Stanley, Todd, Turner (Shelby), Vincent, Whitson, Wood -- 35.

Representatives voting no were: Armstrong, Arriola, Bone, Boyer, Briley, Caldwell, Casada, Curtiss, Davidson, DeBerry J, Ferguson, Fitzhugh, Fowlkes, Fraley, Garrett, Jones S, Jones U, Kernell, Langster, Lewis, Maddox, Newton, Odom, Pinion, Pruitt, Ridgeway, Sands, Sharp, Shaw, Shepard, Tidwell, Tindell, Towns, Turner (Davidson), West, White, Windle, Winningham -- 38.

Representatives present and not voting were: Bowers, Chumney, DeBerry L, Hood, McDonald, Sargent, Turner (Hamilton), Walker -- 8.

Rep. Todd moved the previous question on Amendment No. 11, which motion prevailed.

Rep. Arriola moved adoption of Amendment No. 11, which motion failed by the following vote:

Ayes	39
Noes	41
Present and not voting	7

Representatives voting aye were: Armstrong, Arriola, Bone, Boyer, Briley, Caldwell, Chumney, Curtiss, DeBerry J, DeBerry L, Ferguson, Fitzhugh, Fowlkes, Garrett, Head, Jones S, Jones U, Kernell, Langster, Lewis, Maddox, McMillan, Miller, Newton, Odom, Pinion, Pruitt, Ridgeway, Shaw, Shepard, Tidwell, Towns, Turner (Hamilton), Turner (Davidson), Walker, West, White, Windle, Winningham -- 39.

Representatives voting no were: Baird, Beavers, Bittle, Black, Bowers, Buck, Bunch, Buttry, Casada, Clem, Cole (Carter), Cole (Dyer), Davidson, Davis (Cocke), Dunn, Ford, Fraley, Givens, Hagood, Hargett, Hargrove, Hood, Kent, McCord, McDaniel, McDonald, McKee, Montgomery, Patton, Pleasant, Rinks, Roach, Rowland, Sands, Scroggs, Stanley, Todd, Turner (Shelby), Vincent, Whitson, Wood -- 41.

Representatives present and not voting were: Davis (Washington), Godsey, Goins, Harwell, Mumpower, Sargent, Tindell -- 7.

A motion to reconsider was tabled.

Rep. Bone moved adoption of Amendment No. 12 as follows:

Amendment No. 12

AMEND House Bill No. 2569 By deleting Section 29 of HA1257 (016494) in its entirety.

Rep. Hargett moved that Amendment No. 12 be tabled, which motion prevailed by the following vote:

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Ayes51
Noes35
Present and not voting2

Representatives voting aye were: Armstrong, Baird, Black, Boyer, Buck, Bunch, Buttry, Clem, Cole (Carter), Cole (Dyer), Davidson, Davis (Washington), Dunn, Ford, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hood, Johnson, Jones S, Kent, McCord, McDonald, McKee, Montgomery, Newton, Odom, Overbey, Pinion, Pleasant, Pruitt, Rinks, Roach, Rowland, Sargent, Scroggs, Sharp, Shepard, Stanley, Tidwell, Tindell, Todd, Turner (Davidson), Vincent, Wood -- 51.

Representatives voting no were: Arriola, Bone, Bowers, Briley, Brooks, Brown, Caldwell, Casada, Curtiss, Davis (Cocke), DeBerry J, DeBerry L, Ferguson, Fitzhugh, Fowlkes, Head, Jones U, Kernell, Langster, Lewis, Maddox, McDaniel, McMillan, Miller, Ridgeway, Sands, Shaw, Towns, Turner (Hamilton), Turner (Shelby), Walker, West, White, Windle, Winningham -- 35.

Representatives present and not voting were: Bittle, Chumney -- 2.

Rep. Bunch moved adoption of Amendment No. 13, which motion was immediately withdrawn.

Rep. Buttry moved the previous question, which motion was immediately withdrawn.

On motion, Rep. Kisber withdrew Finance, Ways and Means Committee Amendment No. 1.

Rep. Head moved that Amendment No. 2 be withdrawn, which motion prevailed.

Rep. Odom moved that Amendment No. 3 be withdrawn, which motion prevailed.

Rep. Givens moved adoption of Amendment No. 14, which motion was immediately withdrawn.

Rep. Buttry moved the previous question, which motion prevailed by the following vote:

Ayes60
Noes29
Present and not voting1

Representatives voting aye were: Armstrong, Arriola, Baird, Bittle, Black, Boyer, Buck, Bunch, Buttry, Casada, Clem, Cole (Dyer), Curtiss, Davidson, Davis (Washington), Ferguson, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hood, Johnson, Jones S, Kent, McCord, McDonald, McKee, Montgomery, Mumpower, Newton, Odom, Overbey, Phelan, Pinion, Pleasant, Pruitt, Roach, Rowland, Sargent, Scroggs, Sharp, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Davidson), Vincent, West, Windle, Winningham, Wood -- 60.

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Representatives voting no were: Beavers, Bone, Bowers, Briley, Brooks, Brown, Caldwell, Chumney, Cole (Carter), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Fitzhugh, Head, Jones U, Kernell, Kisber, Langster, Lewis, Maddox, McMillan, Miller, Ridgeway, Shaw, Turner (Hamilton), Turner (Shelby), White, Whitson -- 29.

Representatives present and not voting were: Patton -- 1.

Rep. Buck moved that **House Bill No. 2569**, as amended, be passed on third and final consideration, which motion failed by the following vote:

Ayes	47
Noes	45
Present and not voting	3

Representatives voting aye were: Arriola, Baird, Bittle, Black, Boyer, Buck, Bunch, Buttry, Casada, Clem, Curtiss, Davidson, Davis (Washington), Dunn, Ford, Fraley, Garrett, Godsey, Hagood, Hargett, Hargrove, Hood, Johnson, Jones S, Kent, McCord, McDonald, Montgomery, Mumpower, Newton, Odom, Pinion, Pleasant, Rowland, Sargent, Scroggs, Sharp, Shepard, Stanley, Tidwell, Todd, Turner (Davidson), Vincent, West, Windle, Winningham, Wood -- 47.

Representatives voting no were: Armstrong, Beavers, Bone, Bowers, Briley, Brooks, Brown, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Davis (Cocke), DeBerry J, DeBerry L, Ferguson, Fitzhugh, Fowlkes, Givens, Goins, Harwell, Head, Jones U, Kernell, Kisber, Langster, Lewis, Maddox, McDaniel, McKee, McMillan, Miller, Phelan, Pruitt, Ridgeway, Rinks, Sands, Shaw, Tindell, Towns, Turner (Hamilton), Turner (Shelby), Walker, White, Whitson, Mr. Speaker Naifeh -- 45.

Representatives present and not voting were: Overbey, Patton, Roach -- 3.

House Bill No. 2569, having failed to receive a constitutional majority, was re-referred to the House Committee on Calendar and Rules.

BILL RECALL

Rep. Head requested that Senate Bill No. 2646 be recalled from the Senate, which motion prevailed.

RECESS MOTION

On motion of Rep. Davidson, the House stood in recess until 10:00 p.m.

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**MESSAGE FROM THE SENATE
July 2, 2002**

MR. SPEAKER: I am directed to return to the House, Senate Bill(s) No(s). 2646, as requested.

RUSSELL A. HUMPHREY, Chief Clerk.

RECESS EXPIRED

The recess having expired, the House was called to order by Mr. Speaker Naifeh.

ROLL CALL DISPENSED WITH

On motion of Rep. Davidson, the roll call was dispensed with.

**REPORT OF CHIEF ENGROSSING CLERK
July 2, 2002**

The following bill(s) have been transmitted to the Governor for his action: House Joint Resolution(s) No(s). 848, 1139 and 1192.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

**MESSAGE FROM THE SENATE
July 2, 2002**

MR. SPEAKER: I am directed to return to the House, Senate Bill(s) No(s). 1494.

The Senate nonconcurred in House Amendment(s) No(s). 3, 4 and 5.

RUSSELL A. HUMPHREY, Chief Clerk.

**MESSAGE FROM THE SENATE
July 2, 2002**

MR. SPEAKER: I am directed to transmit to the House, Senate Bill(s) No(s). 2599; also, Senate Joint Resolution(s) No(s). 893 for the signature of the Speaker.

RUSSELL A. HUMPHREY, Chief Clerk.

**SIGNED
July 2, 2002**

The Speaker signed the following: Senate Bill(s) No(s). 2599; also, Senate Joint Resolution(s) No(s). 893.

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MESSAGE FROM THE GOVERNOR
July 2, 2002

MR. SPEAKER: I am directed by the Governor to return herewith: House Joint Resolution(s) No(s). 1169, 1172, 1182, 1183, 1184, 1185, 1186, 1187, 1188, 1189 and 1190, with his approval.

JAY BALLARD, Counsel to the Governor.

MESSAGE FROM THE SENATE
July 2, 2002

MR. SPEAKER: I am directed to return to the House, Senate Bill(s) No(s). 1303.

The Senate adopted the Conference Committee Report and made it the action of the Senate.

RUSSELL A. HUMPHREY, Chief Clerk.

RECESS MOTION

On motion of Rep. Davidson, the House stood in recess until 10:00 a.m., Wednesday, July 3, 2002.